



City of San José Housing & Community Development Commission

District 1— Martha O'Connell
District 3— Barry Del Buono
District 5— Ruben Navarro
District 7— Melissa Medina
District 9— Julie Quinn
Mayor — Nhi Nguyen

(VC) Alex Shoor —District 2
Huy Tran —District 4
Andrea Wheeler —District 6
Lee Thompson —District 8
Michael Fitzgerald —District 10
Davlyn Jones – CAAC-MR
(C) Mike Graves – CAAC ML

*Commissioners are appointed by corresponding Council Members, but do not represent the Council District.

REGULAR MEETING AGENDA

5:45PM

August 10, 2017

San José City Hall
Wing Rooms 118-120

- I. Call to Order & Orders of the Day**
- II. Introductions**
- III. Consent Calendar**
 - A. Approve the Minutes for the Regular Meeting of June 8, 2017
ACTION: Approve the June 8, 2017 action minutes
- IV. Reports and Information Only**
 - A. Chair
 - B. Director
 1. Recent and Upcoming City Council Agenda Items
 2. Evans Lane Update
 3. Food and Goods Distribution at City Parks
 - C. Council Liaison
- V. Old Business - None**
- VI. New Business**
 - A. **Potential Modifications to the Affordable Housing Impact Fee and Inclusionary Housing Programs (P. Heisinger, Housing Department)**
ACTION: Provide recommendations to staff regarding the following potential changes to the Affordable Housing Impact Fee and Inclusionary Housing Programs:
 1. Amendments to the Affordable Housing Impact Fee Resolution -
 - a. To adjust the definition of “dwelling unit” to clarify the distinguishing characteristics of a unit subject to the Affordable Housing Impact Fee; and
 - b. To allow developers of certain qualifying projects with affordable rental apartments to apply for a different method of calculating their required Affordable Housing Impact Fee.
 2. Expansion of the Inclusionary Housing Program by adoption of a new ordinance to address projects with 3-19 units.

B. Mobilehome Opt-In/Stay in Business Community Outreach Plan (A. Marcus, Housing Department)

ACTION: Accept the report and provide feedback to staff on the Draft Mobilehome Opt-In/Stay-In-Business Community Outreach Plan (Attachment A).

C. Annual Homeless Report (R. Bramson, Housing Department)

ACTION: Accept the report on the 2017 Homeless Census and Survey and discuss the implications of the results.

D. Housing Commission Retreat

ACTION: Informational only

VII. Public Comment *(Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter jurisdiction of the Commission).*

VIII. Meeting Schedule

The next regular meeting will be Thursday, September 14, 2017 at 5:45PM, in the San Jose City Hall Wing Rooms 118-120. (No meeting scheduled for July)

IX. Adjournment

The City of San José is committed to open and honest government and strives to consistently meet the community's expectations by providing excellent service, in a positive and timely manner, and in the full view of the public.

You may speak to the Commission about any discussion item that is on the agenda, and you may also speak during Public Comments on items that are not on the agenda and are within the subject matter jurisdiction of the Commission. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during Public Comments. Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the Commission unless listed on the agenda, which has been posted not less than 72 hours prior to meeting.

Agendas, Staff Reports and some associated documents for the Commission items may be viewed on the Internet at <http://www.sanjoseca.gov/hcdc>.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk, 200 East Santa Clara Street, 14th Floor, San José, California 95113, at the same time that the public records are distributed or made available to the legislative body. Any draft resolutions or other items posted on the Internet site or distributed in advance of the commission meeting may not be the final documents approved by the commission. Contact the Office of the City Clerk for the final document.

On occasion the Commission may consider agenda items out of order.

The Housing & Community Development Commission meets every Second Thursday of each month (except for July and December) at 5:45pm, with special meetings as necessary. If you have any questions, please direct them to the Commission staff. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

To request an accommodation or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events or printed materials, please call (408) 535-1260 as soon as possible, but at least three business days before the meeting.

Please direct correspondence and questions to:

City of San José
Attn: Robert Lopez
200 East Santa Clara Street, 12th Floor
San José, California 95113
Tel: (408) 975-4402
Email: Robert.Lopez@sanjoseca.gov

Para residentes que hablan español: Si desea mas información, favor de llamar a Theresa Ramos al 408-975-4475.

Riêng đôi với quý vị nói tiếng Việt : Muốn biết thêm chi-tiết, xin vui lòng tiếp xúc với Therese Tran, Đ.T. 408-793-5349.

對於說華語的居民: 請電 408-975-4450 向 Ann Tu 詢問詳細事宜。說粵語的居民則請撥打 408-975-4425 與 Yen Tiet 聯絡。

Para sa mga residente na ang wika ay tagalog: Kung kinakailangan pa ninyo ng inpormasyon, tawagan si Arlene Silverio sa 408-793-5542. Salamat Po.

HOUSING & COMMUNITY DEVELOPMENT COMMISSION

REGULAR MEETING ACTION MINUTES

JUNE 8, 2017

MEMBERS PRESENT:

Mike Graves	Chair
Davlyn Jones	Commissioner
Martha O'Connell	Commissioner
Bob Gill	Commissioner (6:29pm)
Andrea Wheeler	Commissioner
Alex Shoor	Commissioner
Michael Fitzgerald	Commissioner
Nhi Nguyen	Commissioner
Julie Quinn	Commissioner
Ruben Navarro	Commissioner

MEMBERS ABSENT:

Melissa Medina	Commissioner
Lee Thompson	Commissioner

STAFF:

Jacky Morales-Ferrand	Housing Department
Ray Bramson	Housing Department
Robert Lopez	Housing Department
Adam Marcus	Housing Department
James Stagi	Housing Department
Kathryn Kaminski	Housing Department

(I) Call to Order/Orders of the Day— Chair Graves opened the meeting at 5:45pm.

(II) Introductions—Commissioners, staff, and audience introduced themselves.

(III) Consent Calendar

A. Approve the Minutes for the Special Meeting of May 11, 2017

Commissioner Jones made the motion to approve the minutes for the May 11, 2017 regular meeting with a second by Commissioner Shoor. The motion passed unanimously (9-0).

(IV) Reports and Information Only

A. Chair – Chair Graves commented on e-mails sent between the City Clerk's Office and a Housing Commissioner concerning the early start date of new housing commissioners.

B. Director's Report

Ms. Morales-Ferrand reported on upcoming items to be considered by the Commission and City Council.

C. Council Liaison – No report.

DRAFT

(V) Old Business

A. Mobilehome Closure Ordinance Update (A Marcus, Housing Department)

Commissioner Wheeler made the motion to request from City Council that the Planning Department workplan include that the item is heard by the HCDC for action. The motion was seconded by Commissioner Jones. The motion passed 10-0.

B. Proposed Fiscal Year 2017-2018 Housing trust Fund Expenditure Plan (R. Bramson, Housing Department)

Commissioner Wheeler made the motion to approve the Proposed Fiscal Year 2017-2018 Housing Trust Fund Expenditure Plan with a second by Commissioner Jones. The motion passed 9-0-1 with a recusal by Commissioner Quinn.

(VI) New Business

A. FY 2017-18 Annual Action Plan (J. Stagi, Housing Department)

Chair Graves opened the public hearing for the FY 2017-18 Annual Action Plan.

Commissioner Gill made the motion to recommend to the City Council approval of the FY 2017-18 Annual Action Plan with a second by Commissioner Wheeler. The motion passed 8-0-2 with recusals by Commissioners Quinn and Navarro.

B. Election of Commission Chair and Vice Chair (D. Bopf, Housing Department)

Chair Graves commented that Commissioner Medina cannot accept the nomination for Chair. Commissioner Fitzgerald nominated Chair Graves to repeat as Chair with a second by Commissioner Jones.

The Commission held a vote to confirm a Chairperson between Commissioner Graves and Commissioner Shoor. Chair Graves was re-elected as Chair by majority vote (6-3-1).

Graves: Fitzgerald, Nguyen, Gill, Graves, O'Connell, Jones

Shoor: Shoor, Navarro, Wheeler

Abstain: Quinn

Commissioner Nguyen nominated Commissioner Shoor for Vice Chair with a second by Commissioner Gill.

The Commission held a vote to confirm a Vice Chairperson between Commissioner Wheeler and Commissioner Shoor. Commissioner Shoor was elected Vice Chair by a majority vote (5-3-2).

Shoor: Wheeler, Nguyen, Gill, Graves, O'Connell

Wheeler: Fitzgerald, Jones, Shoor

Abstain: Quinn, Navarro

DRAFT

(VII) Public Comment

Mr. Lee Ellak, former Housing Commissioner, commented that the three most important issues for housing this upcoming year should be affordability, homelessness, and rent control.

Commissioner Wheeler asked about scheduling the annual commission retreat soon.

Commissioner Shoor mentioned that Commissioner Jones was mentioned in the San Jose Mercury News in the past month.

(VIII) Meeting Schedule

The next regular meeting will be on Thursday, August 10, 2017 at 5:45PM, in the San Jose City Hall Wing Rooms 118-120.

(IX) Adjournment

Chair Graves adjourned the meeting at 7:17pm.



Memorandum

TO: HOUSING AND COMMUNITY
DEVELOPMENT COMMISSION

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: August 1, 2017

Approved

Date

**SUBJECT: POTENTIAL MODIFICATIONS TO THE AFFORDABLE HOUSING
IMPACT FEE AND INCLUSIONARY HOUSING PROGRAMS**

RECOMMENDATION

Provide recommendations to staff regarding the following potential changes to the Affordable Housing Impact Fee and Inclusionary Housing Programs:

1. Amendments to the Affordable Housing Impact Fee Resolution -
 - a. To adjust the definition of “dwelling unit” to clarify the distinguishing characteristics of a unit subject to the Affordable Housing Impact Fee; and
 - b. To allow developers of certain qualifying projects with affordable rental apartments to apply for a different method of calculating their required Affordable Housing Impact Fee.
2. Expansion of the Inclusionary Housing Program by adoption of a new ordinance to address projects with 3-19 units.

BACKGROUND

On November 18, 2014, the City Council adopted the Housing Impact Fee Resolution (AHIF) Resolution establishing the AHIF Program. On November 10, 2015, and December 6, 2016, staff reported back to City Council regarding issues that were raised at the time the AHIF Resolution was originally adopted. During the December 6, 2016, the City Council requested that staff consider an amendment to the AHIF Resolution to clarify the “dwelling unit” definition and an alternate method of fee assessment for projects sponsored by a public agency. In addition, the City Council further directed the Housing Department to investigate the idea of expanding the project threshold size to which the Inclusionary Housing Program applies.

ANALYSIS

Each of the issues that staff was directed to report back on is addressed separately below.

Definition of a Dwelling Unit in the AHIF Program

Following City Council directive, the Housing Department researched the assisted-care industry and engaged with developers and operators of assisted living/memory care facilities. They expressed concern regarding the definition of a “dwelling unit” in the AHIF Resolution, particularly the interpretation of the term “housekeeping facilities” as being evidenced by a second sink in the living area. This interpretation is based on the fact that if a unit with its own bathroom has a second sink in the living area and an 120V outlet, a small “dorm” refrigerator and a microwave oven or hotplate could be added at any time.

In many assisted living/memory care facilities, the senior apartment units and their memory care units include a second sink in the living space, in addition to the bathroom sink. Most developers of assisted living/memory care facilities do not include cooking or refrigeration amenities or space for those amenities in memory care units due to safety concerns for their residents.

The Housing Department recommends that the definition of a “dwelling unit” in the AHIF Resolution be clarified so that it only be imposed on units that include the following features: (a) a bathroom, (b) a separate sink, and (c) the capability (i.e., two distinct electrical outlets and space for each) for cooking and refrigeration.

Please see Attachment A for an example of how the proposed modification to the definition of a “dwelling unit” would alter the AHIF calculation.

Alternate Method for AHIF Fee Reduction for certain Qualifying Projects

Per Council direction, the Housing Department considered proposed amendments to the AHIF Program that would allow developers of certain types of projects, such as those constructed on public property, an alternative method to reduce their required AHIF by providing affordable apartments onsite, under certain conditions. Currently, a developer who is already required to create restricted affordable apartments as the result of government action or funding will not pay the AHIF for those restricted apartments if they are affordable to low income families.

Restricted affordable units may also be created where a public agency records a covenant requiring the inclusion of units in the project that are affordable to low, very low and extremely low-income residents on land that the agency is leasing for residential development. In this limited category, staff recognizes that the existing obligations of a public agency to provide affordable units on-site may result in more affordable units being developed than the current AHIF Program requirement.

The Housing Department recommends establishing an alternative methodology that allows those qualifying projects to apply for an alternative calculation of the AHIF if they can provide evidence that the affordable apartments proposed within their project meet certain affordability levels, as identified in the October 2014 Nexus Analysis. Staff recommends the following provisions for qualifying projects with onsite affordable rental apartments:

- The amount of the reduction will be based on comparing (a) the affordable rental apartments, and the respective level of affordability provided, to (b) the projected impact of all of the rental apartments in the residential development.
- The affordability covenant recorded by that agency must have a term of at least 55 years from occupancy and be enforceable by the City under the rider described below.
- The City will be entitled to record a rider to that affordability restriction on the site to be sold or leased effective until 55 years after certificate of occupancy.
- Affordable units in one income category cannot be credited to other income categories not addressed in the approved on-site affordability mix of affordable units.
- No affordable units on one site will be credited to another site and affordable units must be constructed at the same time as and with similar quality to other units.
- This option would only apply if the City has provided no financial assistance to developer or the public agency in connection with the otherwise qualified project. The City could invest in the project if a greater affordability, either in depth or number of units, than what would have otherwise been required is achieved.

Modification to the Threshold Size of the Inclusionary Housing Program

Currently the Inclusionary Housing Program applies to for-sale projects of 20 or more homes, while the AHIF Program applies to rental projects of three (3) or more apartments. On December 6, 2016, the Housing Department recommended that rental projects of three (3) to 19 apartments be exempted from the AHIF. At that time, City Council did not approve staff's recommendation and directed staff to return with an analysis regarding the potential for applying the Inclusionary Housing Program to for-sale projects of three (3) to 19 units.

This proposed approach will minimize the procedural discrepancies between the Inclusionary Housing and AHIF Programs, simplify processes, improve efficiency, and provide certainty for developers of projects of three (3) to 19 units, regardless of whether they are rental or for-sale.

The Housing Department recommends the development of a separate inclusionary housing ordinance for projects of three (3) to 19 homes, which should include an In-Lieu fee option providing the same rate as the AHIF. That methodology for assessing the Small Project In-Lieu Fee is intended to align with the AHIF Program and maximize administrative efficiencies. The Small Project In-Lieu Fee under discussion would:

- Apply to for-sale projects of three (3) to 19 homes at a per square foot rate;
- Be assessed at a rate consistent with the AHIF (\$17.41 per square foot in FY 2017-18; increased by 2.4% annually); and

August 1, 2017

Subject: Potential Modifications to the AHIF Program & Inclusionary Housing Programs

Page 4

- Apply to any for-sale project of three (3) to 19 units for which all building permits have not been pulled by December 31, 2017.

To effectuate this recommended action, if approved, staff will work with the City Attorney's Office and return to City Council with a draft ordinance for consideration.

PUBLIC OUTREACH

On July 13, 2017 the Housing Department posted its draft recommendations on its website. The Housing Department hosted a meeting of residential developers and stakeholders on July 20, 2017 to discuss its proposed recommendations for amending the AHIF regarding the definition of "dwelling unit," on-site mitigation of the AHIF obligation, and the modification of the threshold size under the Inclusionary Housing Programs. Notices and reminders of the public meeting were sent to more than 400 individuals/organizations and posted on the Housing Department website.

In total, 27 individuals attended including developers, community organizations, and San Jose City Council staff. At the meeting, the Housing Department received the following comments:

- Staff clarified the term "capability" used in the revised definition of "dwelling unit" (Item 1) to include the example: two distinct electrical outlets and space for each, for cooking and refrigeration.
- Potentially extend AHIF on-site mitigation option to more than just government entities (Item 2)

The meeting concluded with an invitation to submit additional points of feedback via email to Housing staff. Housing staff anticipates ongoing outreach to be conducted as developers as the potential modifications to San José's AHIF and Inclusionary Housing Programs are developed further.

COORDINATION

This item has been coordinated with the City Attorney's Office.

JACKY MORALES-FERRAND
Director, Housing Department

For questions, please contact Patrick Heisinger, Acting Division Manager, at (408) 975-2647.

ATTACHMENT A**Example AHIF Calculation**

Project Unit Mix / AHIF Calculation - Current		
Unit Type/Plan	# of Units	Gross Residential Sq. Footage
Studio	15	6,275
1-bed	33	22,670
2-bed	15	15,961
Memory Care Studio	25	10,000
Memory Care - Shared	12	5,200
Totals	100	60,106
Gross Square Ft	Current AHIF	Total Fee
60,106	\$17.41	\$1,046,445

Project Unit Mix / AHIF Calculation – Proposed		
Unit Type/Plan	# of Units	Gross Residential Sq. Footage
Studio	15	6,275
1-bed	33	22,670
2-bed	15	15,961
Memory Care Studio	NA	NA
Memory Care - Shared	NA	NA
Totals	63	44,906
Gross Square Ft	Current AHIF	Total Fee
44,906	\$17.41	\$781,813

If the modified definition of a “dwelling unit” is approved, only units that meet the proposed definition would be assessed the AHIF. In the example above, the AHIF would only apply to 75% of the project’s total residential square footage.



Potential Modifications to the Affordable Housing Impact Fee (AHIF) Program & Inclusionary Housing Ordinance (IHO)

August 10, 2017



Agenda: Meeting Outline

- Background
- Housing's Draft Recommendations
- Outreach
- Next Steps
- Questions?

AHIF: Background

- Approved in November 2014
 - Direction to analyze AHIF's effect on certain types of development
- Returned to Council in November 2015
 - Direction to conduct a feasibility analysis on:
 - Small projects (20 or fewer units)
 - Mixed-use projects
 - Assisted Living Facilities
- Returned to Council in November 2016
 - Direction to re-look at:
 - Definition of a Dwelling Unit
 - On-Site Mitigation
 - Modification to the Threshold Size

Housing Department Draft Recommendations

Definition of a Dwelling Unit

On-Site Mitigation

Modification to the Threshold Size

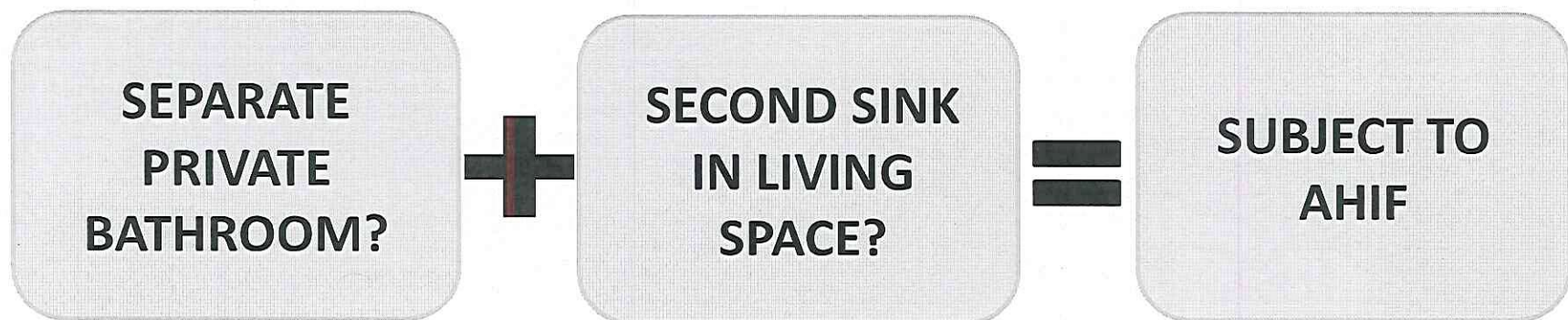
AHIF: Assisted Living Facilities

A word cloud of terms related to assisted living facilities. The words are arranged in a circular pattern, with some terms repeated. The colors of the words include shades of green, yellow, and grey. The terms include:

- senior apartments
- independent living
- communities
- continuing care
- retirement
- senior
- assisted living
- care
- alzheimer's care
- senior housing
- skilled nursing facility
- retirement community
- deed restricted
- communities
- independent living
- residential care facility
- continuing care
- market rate
- memory care
- convalescent hospitals
- assisted
- care
- licensed

AHIF: Assisted Living Facilities

senior apartments
independent living
communities
assisted
care
continuing care
retirement
senior
assisted living
convalescent hospitals
alzheimer's care
senior housing
memory care
skilled nursing facility



Item 1: Definition of a Dwelling Unit under AHIF

■ Recommendation

- Modify definition of a “dwelling unit” in the AHIF Resolution to accommodate certain assisted living apartments:
 - Own bathroom
 - Separate sink
 - Capability (space/electricity) for:
 - Cleaning/preparing food (i.e., sink/counter space/stove)
 - Refrigeration

■ Rationale

- Adjustment for memory care type units

Item 1: Definition of a Dwelling Unit under AHIF

Project Unit Mix / AHIF Calculation - Current		
Unit Type/Plan	# of Units	Gross Residential Sq. Footage
Studio	15	6,275
1-bed	33	22,670
2-bed	15	15,961
Memory Care Studio	25	10,000
Memory Care - Shared	12	5,200
Totals	100	60,106
Gross Square Ft	Current AHIF	Total Fee
60,106	\$17.41	\$1,046,445

Item 1: Definition of a Dwelling Unit under AHIF

Project Unit Mix / AHIF Calculation – Proposed		
Unit Type/Plan	# of Units	Gross Residential Sq. Footage
Studio	15	6,275
1-bed	33	22,670
2-bed	15	15,961
Memory Care Studio	NA	NA
Memory Care - Shared	NA	NA
Totals	63	44,906
Gross Square Ft	Current AHIF	Total Fee
44,906	\$17.41	\$781,813

Item 2: On-Site Mitigation

■ Recommendation

- Allow qualifying developers to apply for a re-calculation of the AHIF if they can provide evidence that the Below Market Rate (BMR) apartments proposed within their project meet certain affordability levels

■ Rationale

- Some public agencies require affordable units
- These on-site affordable units may satisfy the AHIF Program requirement
- Only applies if the City provides no financial assistance to developer/public agency

Item 2: On-Site Mitigation (Cont.)

New Worker Households by Income Level per 100 Market Rate Units

	Apartments	Percentage
Extra Low (Under 30% AMI)	2.5	15.43%
Very Low (30% - 50% AMI)	5.1	31.48%
Low (50% - 80% AMI)	5.3	32.72%
Moderate * (80% - 120% AMI)	3.3	20.37%
Subtotal – Less than 120% AMI	16.2	100%

Item 3: **Modification to the Threshold Size of the IHO**

■ Recommendation

- Expand Inclusionary Housing Program to address projects with 3-19 homes.
 - 15% requirement
 - In-Lieu Fee option, consistent with AHIF:
 - \$17.41 per square foot in Fy2017-18; 2.4% annual increase

■ Rationale

- The methodology for assessing the Small Project In-Lieu Fee would align with the AHIF Program, provide certainty for developers, and maximize administrative efficiencies.

Outreach: Public Meeting on July 20, 2017

- Input from outreach meeting:
 - Clarify the term “capability” used in the revised definition of “dwelling unit” (Item 1)
 - Potentially extend AHIF on-site mitigation option to more than just government entities (Item 2)

AHIF: Next Steps

- City Council Consideration
 - September/October – Council Chambers

Contact Information:

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Amy Chan

Amy.Chan@sanjoseca.gov

408-975-4489

Program Requirements: Questions

Questions?



Memorandum

TO: HOUSING AND COMMUNITY
DEVELOPMENT COMMISSION

FROM: Jacky Morales-Ferrand

SUBJECT: Mobilehome Opt-In/Stay-In-Business
Outreach Plan

DATE: August 3, 2017

Approved

Date

COUNCIL DISTRICTS: ALL

RECOMMENDATION

Accept the staff report and provide feedback on the Draft Mobilehome Opt-In/Stay-In-Business Community Outreach Plan (**Attachment A**).

OUTCOME

Feedback from HCDC will help the Housing Department to finalize the Community Outreach Plan (Attachment A).

BACKGROUND

In late 2015, a group of mobilehome park owners/operators proposed the Opt-In/Stay-In-Business (Opt-In) concept to incentivize owners to preserve mobilehome parks (MHP) in San José. The concept included financial incentives for MHP owners in exchange for an agreement to "stay in business" by continuing to operate existing MHPs for a defined period. Separate from the Mobilehome Rent Control Ordinance, this proposal would allow certain limited capital improvement costs to be passed through to residents without filing a fair return petition and without a hearing process, while also allowing limited vacancy decontrol upon the sale of a mobilehome to a new owner. Put another way, the Opt-In concept would relax the mobilehome rent control ordinance in exchange for certainty against park conversion or closure for a period of time.

On August 11, 2015, the City Council directed the Housing Department to explore the Opt-In proposal to determine if the concept was a viable option. In late 2015, the Department conducted three public meetings to obtain feedback on the general concept and to identify modifications from MHP residents to ensure that the proposal responded to resident needs. Mobilehome park owners, however, declined to participate in the discussion in protest of the policy items that the Council was considering at that time. MHP residents raised serious concerns about the Opt-In proposal, with most participants expressing no interest in considering it further. On February 23,

2016, the Housing Department sought direction from the City Council given the positions of both stakeholder groups. At the City Council meeting, MHP owners testified they were willing to reengage on the Opt-In discussion.

The City Council directed the Housing Department to continue to work with both owners and residents and to develop a high level concept where agreement could potentially be reached. The Council recognized it would be difficult to engage MHP residents interested in the process unless they were facing the reality of a park conversion. Mayor Liccardo added an amendment asking the Housing Department to address concerns around capital improvement pass throughs, partial vacancy decontrol and impacts on homeowner equity, mortgages that extend beyond the program's compliance period, and resident consent for a park to participate in the program. The City Council gave the staff flexibility on how to bring the two groups together and to define the overall process going forward.

In response, the Housing Department developed a workplan to continue the Opt-In discussion. On June 9, 2016, staff presented the draft workplan to the Housing and Community Development Committee (HCDC) for public comment. The Housing Department notified stakeholders about the meeting with an email to 333 subscribers and posted the information on Department's Mobilehome Policy webpage. The workplan called for the formation of an Advisory Committee, that would hold private meetings, followed by a report out to HCDC and the City Council. That night, HCDC passed four motions in response to the proposed workplan.¹

1. On a vote of (8-0), HCDC accepted the staff report.
2. On a vote of (6-2) HCDC rejected the Opt-In concept.
3. On a vote of (5-3), HCDC recommended that the size of the Advisory Committee be increased from 7 – 12.
4. On a vote of (8-0) HCDC recommended that costs for Opt-In should be paid for by MHP owners.

HCDC discussed the workplan and the role of the Advisory Committee and voted to support the plan. The following provides an update and changes to the workplan.

Phase I: Advisory Committee Process

The stated goal of the committee was "to balance the interests of MHP stakeholders in considering the Opt-In concept...or if compromise cannot be reached, to facilitate discussion that allows input from both groups." The Department made the Committee meetings private to facilitate in-depth discussion in a safe and neutral setting. The Committee role was changed to be purely advisory with the understanding that an HCDC hearing would follow. On August 9, 2016, the Housing Department updated the workplan to include public meetings after the Advisory Committee and before presenting a recommendation at the City Council Committee on Community and Economic Development.

¹ HCDC Meeting Minutes: <http://www.sanjoseca.gov/DocumentCenter/View/57599> , June 9, 2017.

On August 9, 2016, the Housing Department posted an application for the Opt-In/Stay-In-Business Advisory Committee on the Department's webpage.² The goal was to select participants who represented a range of interests from senior, small, and large MHP communities. Staff sought representatives who would be open-minded regarding the Opt-In proposal and who would be willing to engage in open, honest, and respectful dialogue with individuals holding differing viewpoints.

In order to avoid potential conflicts of interest, sitting members of any City Commission, Board, or Committee were not considered for selection as members of the Advisory Committee. After the application deadline, staff consulted the two Housing and Community Development Commissioners who represent the MHP owners and MHP residents as part of the selection process. One Commissioner was asked to recommend seven park owner representatives and the other was asked to recommend seven park resident representatives from the pool of applicants. These recommendations were considered by a panel of City employees (two from Housing, one from Planning, Building and Code Enforcement, and one from the Department of Transportation). This panel reviewed the applications and the recommendations, leading to the selection of 14 representatives. Early in the process two members dropped out bringing the total number of representatives on the Advisory Committee to six residents and six park owners.

The Advisory Committee meetings began on February 23, 2017. Housing Department staff hosted three meetings with MHP owner representatives and three meetings with MHP resident representatives to better understand their positions and concerns. These meetings were followed by four joint meetings held with both residents and owners. The joint meetings were facilitated by Joshua Abrams, a professional facilitator from Baird Driskell Community Planning. The Housing Department selected and paid for the facilitator. In practice, the meetings were less about finding a consensus, and more about clarifying concepts and discussing issues. The Housing department restructured the proposal and focused seven elements, including:

- the purpose of the Opt-In proposal;
- how parks would participate;
- pass-through options;
- rent increases;
- funding to administer
- disclosure requirements; and
- other alternatives for consideration.

Prior to the final meeting of the Advisory Committee, a public records act request was submitted for the release of all the materials and notes collected during the Advisory Committee process. The Advisory Committee notes are now circulating within the MH resident community. The notes – which were provided in response to the public records act request with no analysis or context – have raised concerns from some members of the public about the Committee, its role, and the overall process. On July 11, the Housing Department emailed an update of the workplan

² The application can be accessed here: <http://www.sanjoseca.gov/DocumentCenter/View/59505>

to all subscribers on the Department's mobilehome mailing list. The Housing Department provided an option for the public to share comments with the Advisory Committee members prior to the final meeting. Over 65 emails were received from the public and these messages were forwarded to the Advisory Committee. All of these emails opposed the workplan, the process, and specifically called for the rejection of the Opt-In concept with few comments on how the concept could be modified to address specific concerns.

The final Advisory Committee meeting took place on July 26, 2017. The process was constructive in identifying alternatives, making the proposal easier to understand, and in fostering communication between stakeholders. Staff will compile all of the data collected through the Advisory Committee and include the information as a part of its report back to Council later in the year.

Phase II: Policy Analysis

Staff is currently synthesizing the primary themes from the Advisory Committee and will continue to perform policy analysis concurrently with the community outreach process. As a part of the policy analysis, staff plans to gather information and review concepts in the following areas:

- **Case Studies** – Gather information related to specific mobilehome parks to understand the challenges facing individual mobilehome parks
- **Other Cities** – Research rent control options utilized in other jurisdictions as related to mobilehome parks.
- **Housing Market** – Review data related to the sale of mobilehomes in parks throughout San José.
- **Infrastructure Costs** – Review data related to the cost of making improvements to infrastructure in mobilehome parks.

This data review and analysis will provide additional information to the public when discussing the Opt-In concept in Phase III of the process (Community Outreach).

ANALYSIS

The Opt-In Advisory Committee was constructive, but it was no substitute for a robust public discussion on this concept. There are 59 mobilehome parks in San Jose that house over 35,000 residents. Structuring meaningful community outreach for such a large group of stakeholders is challenging given limited time and staffing resources. Nevertheless, the Housing Department endeavors to create a robust and transparent process between August and October 2017.

Staff reached out to HCDC members who live in mobile home parks for ideas on how the Department might structure the outreach. On July 27, 2017, Commissioner O'Connell and Commissioner Jones submitted suggestions for structuring community outreach on the Opt-

August 3, 2017

Subject: Mobilehome Opt-In/Stay-In-Business Outreach Plan

Page 5

In/Stay-In-Business concept (**Attachment B**). The letter suggested hosting meetings during the day and in the evening, on weekdays and on Saturdays in locations that are large and accessible for residents of all ages. The letter also provided detailed suggestions on how to manage public comment and how to structure the agenda. Staff reviewed these suggestions and drafted a Community Outreach Plan (**Attachment A**).

EVALUATION AND FOLLOW-UP

Following community outreach and policy analysis, staff plans to bring a recommendation to the HCDC in October, 2017 and to the City Council Committee on Community and Economic Development in November, 2017.

PUBLIC OUTREACH

Attachment A to this memorandum proposes a community outreach strategy for the Mobilehome Opt-In/Stay-In-Business concept. The Housing Department anticipates hosting community meetings between August-October 2017.

COORDINATION

This memorandum was coordinated with the City Attorney's Office.

Jacky Morales-Ferrand
Director, Department of Housing

For questions, please contact Rachel VanderVeen, Housing Administrator, at (408) 535-8231.

Attachment:

- A. Draft Mobilehome Opt-In/Stay-In-Business Community Outreach Plan
- B. Letter from Martha O' Connell and Davlyn Jones- Suggestions on Community Outreach

Opt-In Stay/In Business Outreach Plan (DRAFT)

DRAFT Meeting Schedule

- August-October:
 - Housing and Community Development Commission (HCDC)
 - 4 large public meetings (2 night, 2 day, at least 1 Saturday)
 - 4 smaller walking tours and meetings at mobilehome parks (if invited)
- November-December:
 - Housing and Community Development Commission (HCDC)
 - Community and Economic Development Council Committee (CEDC)
 - City Council (if needed)

DRAFT Agenda (Large Meetings)

- Sign-In/Distribute Materials
- Staff Presentation (30 minutes)
- Public Comment (30 minutes)
- Polling Exercise (2 hours)
- Next Steps

DRAFT Agenda (Mobilehome Park Meetings)*

- Walking Tour (30 minutes)
- Sign-In/Distribute Materials
- Staff Presentation (30 minutes)
- Public Comment (30 minutes)
- Polling Exercise (1 hour)
- Next Steps

***Mobilehome park meetings will require invitations from residents or owners. If more than 4 invitations are received, staff will select based on a variety of characteristics including MHP location, size, age of the park, senior vs. all ages park, staff availability and other factors.**

Presentations and meeting notes will be posted on-line: www.sanjoseca.gov/mobilehomes

OPT-IN REVIEW SUGGESTIONS

Considerations:

Number of residents effected (35,000+)

- Park land Renters
- Home Owners
- Home Renters (Mobile homes, trailers, campers, etc.)

Effective Document Review and Consensus Affirmation

1. With a large meeting of attendants, the Residents require listening to all discussion of all parts of the Opt-In document, not just pieces of it in small diverse groups that do not discuss the document as a whole.
2. The document must be reviewed section by section so that all residents understand what has been written and speak pro or con on the effect each section might have on residents.
3. **Meeting Availability:** How many Day Workers? How many Evening/Night workers? How many have Weekend days available for a meeting?
4. **Requires day and evening review meetings and at least two Saturday 3 to 4 hour meeting day through evening times.**
5. **Meeting time: Minimum 2 to maximum 4 hours to provide maximum resident participation.**
6. A 2-minute maximum speech time should be allowed for each resident speaker who must be

monitored by Housing with no repeat speakers until that hour has been spent.

7. Each of the subsequent hours start again with new speakers as well as repeat speakers to discuss the next new section of the Opt-In document, continuing to the next hour until the document has been totally reviewed by the audience.
8. The last hour allows for a brief review of the Opt-In document section by section.
9. Language and translation: Translators available? Translators for Speakers should be aware of, and abide by, the 2-minute speech constriction required per speaker and stop the speaker when the time is over.

Meeting Site

1. Meeting places to be large enough to hold at least a minimum base of 500 attendants.
2. Parking consideration for many cars. If possible, near transportation bus or lite rail, but car parking must be available.
3. Additional side rooms to be available for women with children who will be able to listen to the meeting and still be able to participate in the meeting
4. Coffee/Tea/Water should be available for meeting participants
5. Microphones – At least two to three mikes (with attendants for each mike holding them as they move around an assigned, designated area). Allows maximum response throughout the attendants of the meeting, including the side room(s) for women participants with children.

6. Two-minute speech rule for everyone per hour.
No repeats until everyone new has spoken within the hour.
7. Recording of each meeting and minutes written and provided via City website for easily accessible download and return reply/comment to Housing

Meeting Management

1. Housing Administrator/Speakers

- a. Reads the Opt-In document as submitted by the Committee referring to the overhead presentation of the entire document.
- b. The presentation should also be printed as a handout for meeting participants.
- c. Housing should provide the presentation, monitor the resident speeches and monitor and note the vote and suggested actions.
- d. Housing should provide an assistant to aid resident speakers with the microphone to fit a speaker's height.
- e. Housing should provide another assistant or assistants to aid all handicapped speakers with a separate microphone for them to use.

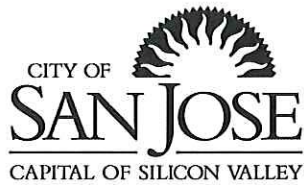
2. Resident Speakers

- Resident Speakers should line up against the front stage wall in two opposite lines where a microphone stand is placed in the middle between the two opposite speaker lines.
- Handicapped speakers should have:
 - 2 or 3 chairs spread out for sitting on while in line

- A Chair to sit on in front of the microphone.
- Each hour should discuss at least two sections of the Opt-In document from the beginning to the end of the document.
- The entire document should be discussed until all sections have been reviewed and discussed.
- **A General Consensus vote on the whole Opt-In document must be taken at the end of each Review meeting. It must be noted if the vote was positive or negative on the Opt-In document as a whole.**

Housing MHP Resident Considerations:

- **Age:** Senior, School-age family, Working, Retired
- **Income:** Silicon Valley Average or Low Income? Fixed income or working, flexible income?
- **Gender:** How many men vs women owning homes? How many single women? How many single women with children, family dependents?



Memorandum

TO: HOUSING AND COMMUNITY
DEVELOPMENT COMMISSION

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: August 3, 2017

SUBJECT: ANNUAL HOMELESS REPORT

RECOMMENDATION

It is recommended that the Housing and Community Development Commission accept the report on the 2017 Homeless Census and Survey and discuss the implications of the results.

BACKGROUND

All jurisdictions that receive funds from the U.S. Department of Housing and Urban Development (HUD) for homeless housing and services are required to conduct a homeless census and survey every two years. The census data brings greater perspective to current issues of homelessness, the services provided to homeless persons, and characteristics of the County's homeless population. The survey findings also measure the change in the composition of the homeless population since the 2015 census and survey.

The reports for San José and Santa Clara County were published on June 30, 2017. This memorandum provides highlights of these documents. The full report for both the City and the County can be viewed on the Housing Department's Homeless Reports [website](#)¹.

Homeless Count and Survey Process

On January 24 and 25, 2017, Applied Survey Research conducted a count of the homeless population in San José and Santa Clara County. During the two-day effort, 215 volunteer census workers were paired with 132 trained homeless guides to complete the census. In the weeks following the homeless count, a survey was administered to 331 sheltered and unsheltered homeless persons in the City. The survey was administered by trained workers who have experienced homelessness.

¹ <http://www.sanjoseca.gov/index.aspx?NID=1289>

This year, HUD set a national priority on homeless youth counts. Historically, this is a sub-population that has been hard to identify. In response to the federal directive, the City implemented a dedicated youth count and survey to improve data collection on unaccompanied children and youth in San José. The approach included teams of youth and trained service providers which created more extensive coverage of areas throughout the City than in past years. Staff also collaborated, Homeless Student Liaisons, the Santa Clara County Office of Education, and over a dozen School Districts, to further improve the data collection.

Homeless Count and Survey Findings

On January 24 and 25, 2017, 4,350 homeless individuals were counted in San José. This point-in-time figure represents a 7% increase from the number identified in the 2015 census, when 4,063 individuals were identified. Out of the total 4,350 persons, 74% of the population was unsheltered and residing in unsafe or unstable living environments. The census count for all of Santa Clara County was 7,394 homeless individuals. This is a 13% increase from the 2015 count, when 6,556 individuals were identified as being homeless.

Homeless Count Total	2015	2017	# Change	% Change
San José	4,063	4,350	287	7%
Santa Clara County	6,556	7,394	838	13%

A summary of San José's Count and Survey data for sub-populations is provided below.

Sub-Population	2015	2017	# Change	% Change
Encampments	778	643	-105	-17%
Chronically Homeless	1409	1205	-204	-14%
Veterans	500	468	-32	-6%
Families with Children	121	104	-17	-14%
Individuals in Families	388	340	-48	-12%
Unaccompanied Youth	32	330	298	931%
Transition-age Youth	503	1436	933	185%

Note that the total of the sub-population figures exceeds the San José Homeless Count Total because some individuals are identified in more than one sub-population.

Highlights of the [San José census results](#)² for specific sub-populations are listed below.

- **Encampments.** These are defined as places with one or more inhabitants living in temporary structures or enclosures. There were 643 individuals experiencing homelessness in encampment areas in the City of San José. This represents a 17% decrease from 778 in 2015 and continues a downward trend from 2013, when 1,230 individuals were counted in encampment areas. From 2013 to 2017, the number of individuals living in encampments has fallen by 48%. Individuals identified in

² <http://www.sanjoseca.gov/DocumentCenter/View/70076>

encampments represented 15% of the overall population experiencing homelessness. This is a decrease from 2015 (19%) and 2013 (26%).

- The Chronically Homeless. A chronically homeless person is defined as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years. They must also have a condition that prevents them from maintaining work or housing. A total of 1,205 individuals experienced chronic homelessness in 2017. This represents a 14% decrease from 2015. It also marks the lowest number of chronically homeless individuals enumerated in San José since 2009.

Many respondents reported experiencing multiple physical or mental health conditions. Seventy-one percent (71%) of chronically homeless survey respondents reported alcohol or substance use. Forty-two percent (42%) reported a psychiatric or emotional condition, while 38% reported a physical disability. In general, higher rates of health conditions were reported for those who were chronically homeless compared to their non-chronically homeless counterparts.

- Veterans. Veterans include all individuals with military service currently experiencing homelessness. A total of 468 veterans experienced homelessness in San José. This represents a 6% decrease from 2015. Nearly 60% of veterans experiencing homelessness were living unsheltered.

The most common cause of homelessness among veteran survey respondents pertained to divorce, separation, or breakup (25%). This is a higher rate than non-veteran respondents (12%). Veteran survey respondents were less likely than non-veteran respondents to cite eviction, alcohol, or drug use. On the other hand, veterans were more likely to indicate rent increases and mental health issues as a primary cause of their homelessness.

- Families with Children. A total of 104 families experienced homelessness in 2017, representing 340 individuals living in those families. This represents a 14% decrease from 2015 when 121 families were counted. Additionally, a 12% decrease from 2015, when 388 individuals living in families were counted.

Due to a variety of factors, a very small number of individuals in homeless families with children participated in the City of San José Survey. Only nine respondents belonging to this demographic participated in the survey. Similar to the overall homeless population, job loss is a key factor for families experiencing homelessness. Mental health issues were more prevalent among the survey respondents when compared to non-family homeless individuals.

- Unaccompanied Children and Transition-Age Youth. There were 330 unaccompanied children under the age of 18 who experienced homelessness in the City of San José. A total of 1,436 transition-age youth (young adults between the ages of 18-24) experienced homelessness. Both numbers represent large increases from the prior survey. In 2015, there were 32 unaccompanied children and 503 transition-age youth. Caution must be

used when interpreting this result. Due to increased knowledge of the population and more youth participation than in past years, 2017's youth count was the most extensive conducted in the City of San José. It will act as a baseline comparison for progress in future years and will provide valuable direction for new services and housing developed to specifically serve this vulnerable population.

ANALYSIS

In San José and Santa Clara County, the primary change in homelessness in the 2017 Homeless Census and Survey results is attributable to the significant increases in the number of unaccompanied children and young adults. As previously mentioned, the City implemented a dedicated youth count and survey in response to direction from HUD. The new approach provided for a more extensive coverage of areas throughout San José than in past years. The results from this work yielded significant increases for the numbers of both unaccompanied children and transition age youth. The data from this year will serve as a baseline for measuring progress towards the HUD objective of ending youth homelessness by 2020.

As has been the case in previous years, the vast majority of homeless individuals resided in the local area when they lost their homes. 83% of survey respondents reported having lived in Santa Clara County at the time they most recently became homeless. The report also revealed 57% were living in Santa Clara County for more than 10 years.

The causes of homelessness cited in the survey varied widely. This reflects the complicated set of circumstances which can cause individuals to experience this situation. Survey respondents stated that the primary event or condition that resulted in their current episode of homelessness in San José ranged from job loss (33%), alcohol/drug addiction (23%), divorce/ separation/ break up (13%), to an argument with family/ friends (16%), and incarceration (6%). Obstacles to obtaining housing, however, were almost solely income related. Over two-thirds (67%) of respondents in 2017 reported an inability to afford rent, followed by 60% reporting unemployment or underemployment. Other obstacles reported were a lack of money for move in costs (17%) and bad credit (19%).

A common misperception about homeless people is that they do not want housing and prefer to live outdoors. The 2017 survey continues to disprove this belief by the fact that 91% of San José survey respondents said they would move into permanent housing if it were available to them.

Assessing the Impact of Community Efforts to Address Homelessness

Despite the increase in the homeless count attributable to the youth and young adult numbers, the City of San José and its partners have made significant progress in moving more people off the streets and into housing. Based on the 2017 data, it appears that the City's efforts to address homelessness have been successful in reducing the number of the chronically homeless (-14%), homeless families (-12%), veterans (-6%), and those living in encampments (-17%).

These significant reductions in some of the most vulnerable populations reflects the continued work of the City, the County, the Housing Authority, Destination: Home, and local non-profit service providers dedicated to implementing the *Community Plan to End Homelessness*. The

August 3, 2017

Subject: Annual Homeless Report

Page 5

Plan is a focused, strategic response to the needs of unhoused populations in the community. Campaigns such as All the Way Home, an initiative to end veteran homelessness, and Project Welcome Home, an innovative Pay for Success pilot program targeting the community's most vulnerable homeless residents, have housed hundreds of homeless individuals over the past two years. During that same period, the City has also committed significant resources to build a pipeline of over 700 new interim and permanent homeless housing opportunities. These combined efforts have and will continue to lead to a reduction in the overall homelessness throughout the region.

The biennial census and survey of San José's homeless population continues to be a valuable resource for tracking trends, shaping policy and designing programs that move homeless persons into permanent housing and prevent at-risk individuals from becoming homeless. With the passage of Measure A, \$750 million will be dedicated to creating affordable and supportive housing opportunities for thousands of extremely low income and homeless residents. Study after study shows that homelessness prevention efforts, Housing First initiatives and supportive services are the most effective means to end homelessness. The data in the report substantiates these approaches to address the needs of thousands of unhoused residents.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office.

JACKY MORALES-FERRAND
Director, Department of Housing

For questions, please contact Ray Bramson, Acting Deputy Director, at (408) 535-8234.